

# **Market Values, Taxable Values, Tax Levies, Taxes and Allowances**

## **Market Value**

The market value or assessed value is what the property is probably worth on the open market if it were offered for sale. Determining this value is the responsibility of the Assessor. It is an “estimate” of the value based on what other properties have sold for in the recent past giving appropriate consideration to the property characteristics and location. In some cases like commercial property it may also be based on the earning potential of the property to a new owner.

## **Taxable Values**

Taxable values are not the same as “appraised” or “fair market value” both of which mean the same thing. Taxable value is the result of the fair market value minus the state “rollback”. Currently the state rollback is approximately 45%; therefore the taxable value of a residential property is 45% of its assessed value. A home assessed at \$100,000 will be taxed at \$45,000 and this is the taxable value.

## **Tax Levies**

A tax levy, often called a mill levy, is the imposition of a tax on property based on a rate called mills. Mills are expressed in tax dollars per thousand dollars of assessed value. This tax is also called “ad valorem tax” which is Latin for according to value.

Tax Levies are imposed by the various taxing entities. The taxing entities within Sioux City are: The City of Sioux City, Woodbury County, Sioux City Schools, Sergeant Bluff-Luton Schools, Lawton-Bronson Schools, County Extension, Assessor, Western Iowa Technical College, and the State of Iowa. Where your property is located will determine which taxing entities will levy a property tax.

Each year, each of the taxing entities determines how much revenue is needed from property taxes. That number is divided by the value of all of the property within their jurisdiction to arrive at the mill levy. The mill levies of each of the taxing entities are combined and applied to the assessed value of each property.

## **Taxes and Allowances**

Once the Assessed value and the Tax Levy have been calculated the levy is applied to the assessed value to determine the property tax. If there is a homestead allowance or a veterans allowance it is a further reduction of the tax.

If you would like further information or more details please contact us.

Al Jordan  
Sioux City Assessor